

REPORT**LOUISIANA CLERKS' OF COURT
RETIREMENT AND RELIEF FUND
(STATE OF LOUISIANA)****JUNE 30, 2007 AND 2006**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12/19/07

LOUISIANA CLERKS' OF COURT
RETIREMENT AND RELIEF FUND
(STATE OF LOUISIANA)

JUNE 30, 2007 AND 2006

INDEX TO REPORT

	<u>PAGE</u>	
INDEPENDENT AUDITOR'S REPORT	1 - 2	
MANAGEMENT'S DISCUSSION AND ANALYSIS	3 - 8	
FINANCIAL STATEMENTS:		
Statements of Plan Net Assets	9	
Statements of Changes in Plan Net Assets.....	10	
Notes to Financial Statements	11 - 24	
SUPPLEMENTARY INFORMATION:		
Statements of Changes in Reserve Balances	25	
Schedules of Investments.....	26	
Schedules of Administrative Expenses	27	
Schedules of Per Diem Paid To Trustees.....	28	
Schedule of Contributions - Employer and Other Sources	29	
Schedule of Funding Progress	30	
Notes to Schedules of Contributions and Funding Progress	31	
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS		32 - 33



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INDEPENDENT AUDITOR'S REPORT

November 24, 2007

Louisiana Clerks' of Court
Retirement and Relief Fund
Board of Trustees
11745 Bricksome Ave., Suite B-1
Baton Rouge, LA 70816

We have audited the accompanying statements of plan net assets of the Louisiana Clerks' of Court Retirement and Relief Fund as of June 30, 2007 and 2006, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Clerks' of Court Retirement and Relief Fund as of June 30, 2007 and 2006 and the results of operations and changes in net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 3 through 8 is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

We have audited the financial statements of the Fund for the years ending June 30, 2007 and 2006 and issued our unqualified opinion on such financial statements. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The required statistical information on pages 29 – 31 and the supplemental schedules listed on pages 25 - 28 are presented for the purposes of additional analysis and are not a part of the basic financial statements. However, such required statistical information for the years ending June 30, 2002 – 2007 and supplemental schedules for the years ending June 30, 2007 and 2006 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 24, 2007 on our consideration of the Louisiana Clerks' of Court Retirement and Relief Fund's internal control over financial reporting and on our tests of its compliance with laws and regulations. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Duplantier, Hrapmann, Hogan & Maher, LLP

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2007

The Management's Discussion and Analysis of the Louisiana Clerks' of Court Retirement and Relief Fund financial performance presents a narrative overview and analysis of the Louisiana Clerks' of Court Retirement and Relief Fund's financial activities for the year ended June 30, 2007. This document focuses on the current year's activities, resulting changes, currently known facts in comparison with the prior year's information. Please read this document in conjunction with the information contained in the financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS:

- The Louisiana Clerks' of Court Retirement and Relief Fund's assets exceeded its liabilities at the close of fiscal year 2007 by \$348,448,803 which represents an increase from last fiscal year. The net assets held in trust for pension benefits increased by \$49,997,718 or 16.75%. The increase was due primarily to the asset allocation producing positive return in the markets.
- Contributions to the plan by members and employers totaled \$18,613,348, an increase of \$1,566,922 or 9.19% over the prior year.
- Funds collected from ad valorem taxes within the respective parishes, except Orleans, totaled \$5,515,746, an increase of \$329,016 or 6.34% over the prior year.
- Funds collected from state revenue sharing funds totaled \$314,646, a decrease of \$(7,279) or (2.26)% from the prior year.
- Net change in the fair value of investments reflected a net increase of \$28,810,053 as of June 30, 2007 as compared to a net increase of \$24,043,739 as of June 30, 2006.
- The total return on the Fund's investments for the year ended June 30, 2007 was a positive 15.2%. The Fund's total return was due primarily to the strong performance by the domestic and international equity managers.
- Pension benefits paid to retirees and beneficiaries increased by \$967,860 or 7.08%. This increase is due to increasing number of retirees based on aging population.
- DROP benefits paid to participants decreased by \$(105,536) or (8.53)% over the previous year. This decrease is due to fewer participants making withdrawals.
- Administrative expenses totaled \$241,870, an increase of \$1,752 or .73%. The cost of administering the System per member during 2007 was \$68 per individual compared to \$70 per individual in 2006.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2007

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the Fund's basic financial statements, which are comprised of three components:

- Statement of plan net assets,
- Statement of changes in plan net assets, and
- Notes to the financial statements.

This report also contains required supplemental information in addition to the basic financial statements themselves.

The statement of plan net assets reports the system's assets, liabilities, and resultant net assets held in trust for pension benefits. It discloses the financial position of the System as of June 30, 2007 and 2006.

The statement of changes in plan net assets reports the results of the system's operations during the year disclosing the additions to and deductions from the plan net assets. It supports the change that has occurred to the prior year's net asset value on the statement of plan net assets.

FINANCIAL ANALYSIS OF THE FUND

Louisiana Clerks' of Court Retirement and Relief Fund provides benefits to the Clerk of the Supreme Court, each of the courts of appeal, each of the district courts and each of the city and traffic courts in cities having a population in excess of four hundred thousand and the employees of such clerks, whether full-time or part-time throughout the State of Louisiana, and the employees of the Louisiana Clerks' of Court Association. Employee contributions, employer contributions and earnings on investments fund these benefits.

	Statement of Plan Net Assets	
	<u>June 30, 2007 and 2006</u>	
	<u>2007</u>	<u>2006</u>
Cash and investments	\$381,463,969	\$ 315,487,034
Receivables	2,406,147	3,237,902
Property and equipment	<u>1,920</u>	<u>6,722</u>
Total assets	<u>383,872,036</u>	<u>318,731,658</u>
Total liabilities	<u>35,423,233</u>	<u>20,280,573</u>
Net Assets Held in Trust		
For Pension Benefits	<u>\$ 348,448,803</u>	<u>\$ 298,451,085</u>

Plan net assets increased by 16.75% (\$348,448,803 compared to \$298,451,085). All of these assets are restricted in use to provide monthly retirement allowances to members who contributed to the System as employees and their beneficiaries. The increase in plan net assets was a result of the incline in the value of investments due to a good balance in the asset allocation mix and strong performances by several of the investment managers.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2007

FINANCIAL ANALYSIS OF THE FUND: (Continued)

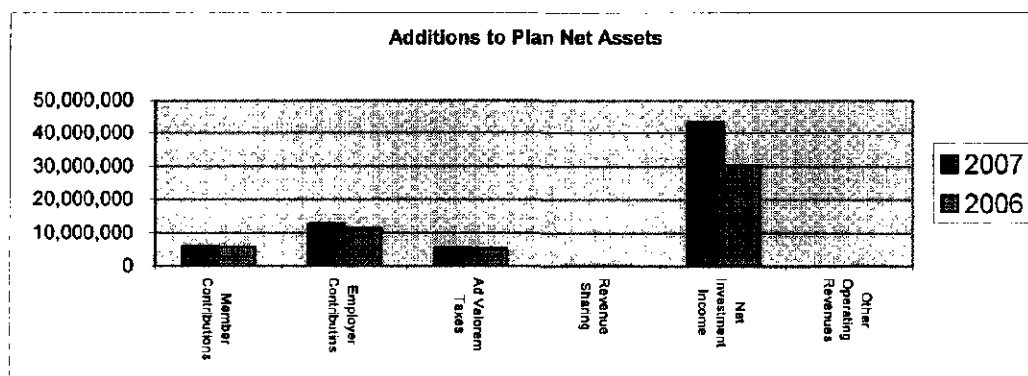
Statement of Changes in Plan Net Assets
June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Additions:		
Contributions	\$ 24,443,740	\$22,555,081
Net investment income	43,186,940	30,418,388
Other	<u>219,184</u>	<u>284,919</u>
Total additions	67,849,864	53,258,388
Total deductions	<u>17,852,146</u>	<u>16,628,982</u>
Increase (decrease) in Plan Net Assets	<u>\$ 49,997,718</u>	<u>\$ 36,629,406</u>

Additions to Plan Net Assets

Additions to the System's plan net assets were derived from member and employer contributions in addition to investment income. Member contributions increased \$259,704 or 4.56% while employer contributions increased \$1,307,218 or 11.51%. The System experienced a net investment gain of \$43,186,940 as compared to a net investment gain of \$30,418,388 in the previous year.

	<u>2007</u>	<u>2006</u>	Increase (Decrease) <u>Percentage</u>
Member contributions	\$ 5,951,946	\$ 5,692,242	4.56%
Employer contributions	12,661,402	11,354,184	11.51%
Ad valorem taxes	5,515,746	5,186,730	6.34%
Revenue sharing	314,646	321,925	(2.26)%
Net investment income	43,186,940	30,418,388	41.98%
Other operating revenues	<u>219,184</u>	<u>284,919</u>	(23.07)%
Total	<u>\$ 67,849,864</u>	<u>\$ 53,258,388</u>	



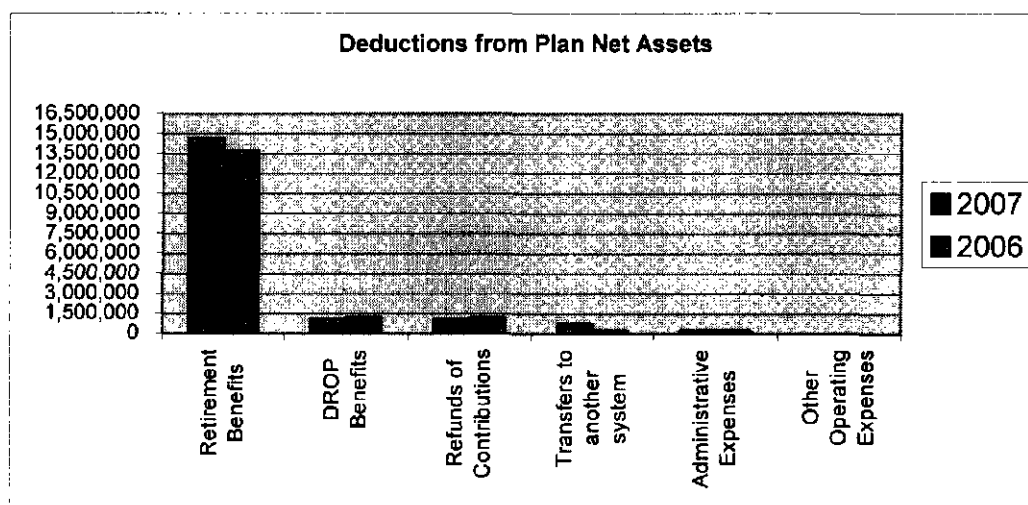
LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2007

FINANCIAL ANALYSIS OF THE FUND: (Continued)

Deductions from Plan Net Assets

Deductions from plan net assets include mainly retirement, death and survivor benefit and administrative expenses. Deductions from plan net assets totaled \$17,852,146 in fiscal year 2007. The increase was primarily due to an increase in retirement benefit payments and transfers to another system. The increase in retirement benefit payments is mainly the result of an increase in the number of retirees. The cost of administering the System's benefits per member during 2007 was \$68 per individual compared to \$70 per individual in 2006.

	<u>2007</u>	<u>2006</u>	Increase (Decrease) <u>Percentage</u>
Retirement benefits	\$ 14,647,433	\$ 13,679,573	7.08%
DROP benefits	1,131,058	1,236,594	(8.53)%
Refunds of contributions	1,086,398	1,218,984	(10.88)%
Transfers to another system	740,585	248,071	198.53%
Administrative expenses	241,870	240,118	0.73%
Other operating expenses	<u>4,802</u>	<u>5,642</u>	(14.89)%
Total	<u>\$ 17,852,146</u>	<u>\$ 16,628,982</u>	



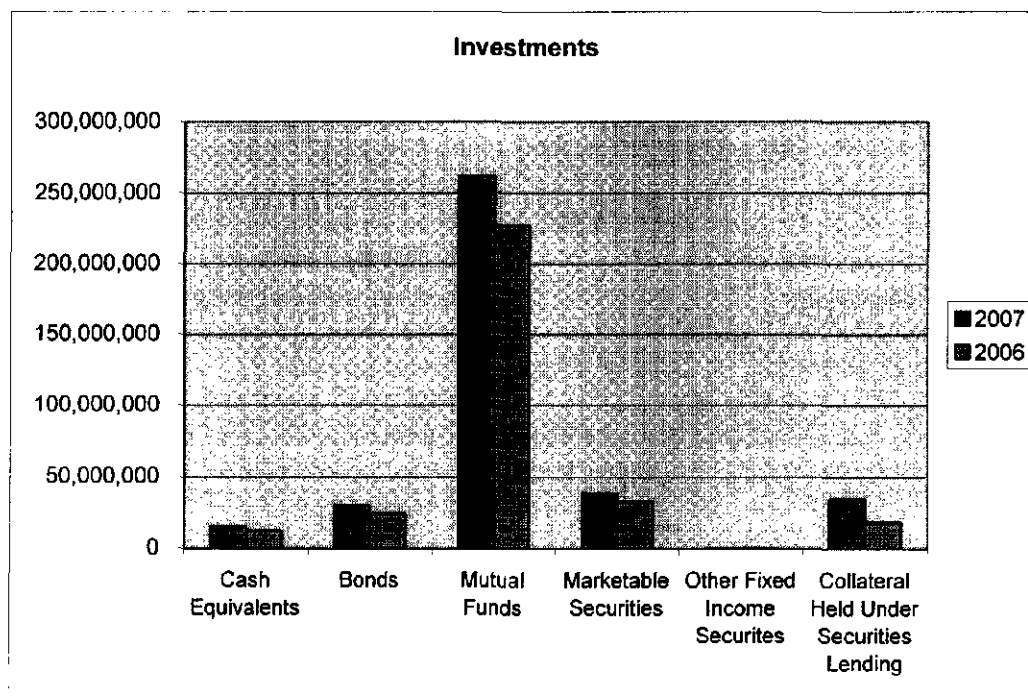
**LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2007**

FINANCIAL ANALYSIS OF THE FUND: (Continued)

Investments

Louisiana Clerks of Court Retirement and Relief Fund is responsible for the prudent management of funds held in trust for the exclusive benefits of their members' pension benefits. Funds are invested to achieve maximum returns without exposing retirement assets to unacceptable risks. Total investments less collateral under securities lending at June 30, 2007 amounted to \$344,572,957 as compared to \$295,898,716 at June 30, 2006, which is an increase of \$48,674,241 or 16.45%. The major contributing factor to this increase is the positive return in the markets. The System's investments in various markets at the end of the 2007 and 2006 fiscal years are indicated in the following table:

	<u>2007</u>	<u>2006</u>	<u>Increase (Decrease) Percentage</u>
Cash equivalents	\$ 15,150,878	\$ 12,220,084	23.98%
Bonds	29,504,950	24,079,626	22.53%
Other fixed income securities	451,080	422,970	6.65 %
Mutual funds	261,475,417	226,401,079	15.49%
Marketable securities	37,990,632	32,774,957	15.91%
Collateral under securities lending	<u>34,581,222</u>	<u>18,243,049</u>	89.56%
Total	<u>\$ 379,154,179</u>	<u>\$ 314,141,765</u>	



LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2007

Requests for Information

Questions concerning any of the information provided or requests for additional financial information should be addressed to Louisiana Clerks' of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B-1, Baton Rouge, Louisiana 70816, (225) 293-1162.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
STATEMENTS OF PLAN NET ASSETS
JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
ASSETS:		
Cash:		
In bank	\$ <u>2,309,790</u>	\$ <u>1,345,269</u>
Receivables:		
Member contributions	429,257	483,105
Employer contributions	917,187	962,137
Ad valorem taxes receivable	-	158,053
State revenue sharing receivable	-	45,672
Miscellaneous receivable	680	8,059
Investment receivable	-	515,919
Accrued interest and dividends	<u>1,059,023</u>	<u>1,064,957</u>
Total receivables	<u>2,406,147</u>	<u>3,237,902</u>
Investments at fair value: (Notes 1 and 6) (Page 26)		
Short-term cash equivalents	15,150,878	12,220,084
Corporate bonds	29,504,950	24,079,626
Other fixed income securities	451,080	422,970
Marketable securities	37,990,632	32,774,957
Mutual funds	261,475,417	226,401,079
Collateral under securities lending	<u>34,581,222</u>	<u>18,243,049</u>
Total investments at fair value	<u>379,154,179</u>	<u>314,141,765</u>
Property, plant and equipment:		
Net of accumulated depreciation		
\$58,421 for 2007 and \$53,619 for 2006	<u>1,920</u>	<u>6,722</u>
Total assets	<u>383,872,036</u>	<u>318,731,658</u>
LIABILITIES:		
Accounts payable	490,961	433,068
Investment payable	351,050	1,604,456
Obligations under securities lending	<u>34,581,222</u>	<u>18,243,049</u>
Total liabilities	<u>35,423,233</u>	<u>20,280,573</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 348,448,803</u>	<u>\$ 298,451,085</u>
(A schedule of funding progress for the plan is presented on page 30)		

See accompanying notes.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
STATEMENTS OF CHANGES IN PLAN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
ADDITIONS: (Note 1)		
Contributions:		
Member	\$ 5,951,946	\$ 5,692,242
Employer	12,661,402	11,354,184
Ad valorem tax	5,515,746	5,186,730
Revenue sharing	314,646	321,925
Total contributions	<u>24,443,740</u>	<u>22,555,081</u>
Investment income: (Note 1)		
Net appreciation in fair value of investments	40,530,949	28,469,681
Interest income	1,442,836	946,240
Dividend income	2,637,375	2,437,890
Securities lending income	1,447,961	800,850
	<u>46,059,121</u>	<u>32,654,661</u>
Less: Investment expense:		
Custodial fees	63,869	72,345
Money manager fees	1,347,591	1,296,081
Consultant fees	100,000	100,000
Securities lending	1,360,721	767,847
	<u>2,872,181</u>	<u>2,236,273</u>
Net investment income	<u>43,186,940</u>	<u>30,418,388</u>
Other additions:		
Transfer fees collected	200	160
Refund pay back	218,878	246,485
Revenue from service credits	-	37,794
Miscellaneous	106	480
Total other additions	<u>219,184</u>	<u>284,919</u>
Total additions	<u>67,849,864</u>	<u>53,258,388</u>
DEDUCTIONS: (Note 1)		
Annuity benefits	14,533,108	13,581,522
Disability benefits	114,325	98,051
Refunds to terminated employees	1,086,398	1,218,984
DROP benefits	1,131,058	1,236,594
Transfer to another system	740,585	248,071
Reimbursement to affiliate for administrative expenses (Note 8)	128,400	128,400
Administrative expenses (Page 27)	113,470	111,718
Depreciation	4,802	5,642
Total deductions	<u>17,852,146</u>	<u>16,628,982</u>
NET INCREASE	49,997,718	36,629,406
NET ASSETS HELD IN TRUST FOR PENSION		
BENEFITS - BEGINNING OF YEAR	<u>298,451,085</u>	<u>261,821,679</u>
END OF YEAR	<u>\$ 348,448,803</u>	<u>\$ 298,451,085</u>

See accompanying notes.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

The Louisiana Clerks' of Court Retirement and Relief Fund (Fund) was established and provided for by R.S. 11:1501 of the Louisiana Revised Statutes (LRS). The Fund is administered by a board of trustees made up of ten members composed of three directors of the Clerks' Association, one retired clerk, the immediate past president, the president, first vice-president and treasurer of the Clerks' Association, the chairman of the Retirement Committee of the Louisiana House of Representatives, and the chairman of the Finance Committee of the Senate, or their designees.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements are prepared in accordance with the standards established by the Governmental Accounting Standards Board (GASB) as the successor to the National Council on Governmental Accounting (NCGA).

In addition, these financial statements include the implementation of GASB Number 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* and related standards. This new standard provides for inclusion of a management discussion and analysis as supplementary information and other changes.

Basis of Accounting:

Louisiana Clerks' of Court Retirement and Relief Fund's financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Interest income is recognized when earned. Ad valorem taxes and revenue sharing monies are recognized in the year appropriated by the Legislature.

Method Used to Value Investments:

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Shares in external investment pools are equivalent to the cost value of the external investment pool.

Equipment and Fixtures:

Equipment and fixtures of the Louisiana Clerks' of Court Retirement and Relief Fund are accounted for and capitalized in the Pension Fund. Depreciation of fixed assets is recorded as an expense in the Pension Fund. All fixed assets are valued on the basis of historical cost and depreciated using the straight-line method of depreciation.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

2. PLAN DESCRIPTION:

The Louisiana Clerks' of Court Retirement and Relief Fund is the administrator of a cost sharing multiple-employer plan. The Fund is a statewide retirement plan for the Clerk of the Supreme Court, each of the courts of appeal, each of the district courts, and each of the city and traffic courts in cities having a population in excess of four hundred thousand, and the employees of such clerks, whether full-time or part-time, and the employees of the Louisiana Clerks' of Court Association. Employer and employee membership data as of June 30, 2007 and 2006 consists of:

	<u>2007</u>	<u>2006</u>
<u>Employer Members - Contributing</u>		
Parish courts	63	63
Supreme Court	1	1
Circuit Courts of Appeals	5	5
City courts of New Orleans	2	2
Traffic court of New Orleans	1	1
Louisiana Clerks' of Court Association	1	1
Civil Court of New Orleans	1	1
Criminal Court of New Orleans	1	1
Louisiana House of Representatives (reverse application by one member before the law changed)	<u>1</u>	<u>1</u>
TOTAL EMPLOYER MEMBERS - CONTRIBUTING	<u>76</u>	<u>76</u>
<u>Employee Members</u>		
Current retirees and survivors	825	817
Terminated, non-vested, vested members not yet receiving benefits	368	374
DROP members	87	75
Fully vested, partially and non-vested active employees covered	<u>2,277</u>	<u>2,152</u>
TOTAL PARTICIPANTS AS OF THE VALUATION DATE	<u>3,557</u>	<u>3,418</u>

Those employees considered eligible for membership to the Louisiana Clerks' of Court Retirement and Relief Fund include all regular employees who work more than an average of 20 hours per week. Members are vested after 12 years of service time.

A member or former member shall be eligible for regular retirement benefits upon attaining twelve or more years of credited service, attaining the age of fifty-five years or more, and terminating employment. Regular retirement benefits, payable monthly for life, equal 3-1/3 percent of the member's average final compensation multiplied by the number of years of credited service, not to exceed one hundred percent of the monthly average final compensation. Monthly average final

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

2. PLAN DESCRIPTION: (Continued)

compensation is based on the highest compensated thirty-six consecutive months, with a limit of increase of 10% in each of the last three years of measurement. For those members hired on or after July 1, 2006, compensation is based on the highest compensated sixty consecutive months with a limit of 10% increase in each of the last six years of measurement.

A member leaving covered employment before attaining early retirement age but after completing twelve years' credited service becomes eligible for a deferred allowance provided the member lives to the minimum service retirement age and does not withdraw his or her accumulated contributions.

A member who has been officially certified as disabled by the State Medical Disability Board shall be paid disability retirement benefits determined and computed as follows:

(1) A member who is totally and permanently disabled solely as the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to the greater of one-half of his monthly average final compensation or, at the option of the disability retiree, two and one-half percent of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed twenty-five dollars for each year of his credited service or two-thirds of his monthly average final compensation, whichever is less.

(2) A member who has ten or more years of credited service and who is totally and permanently disabled due to any cause not the result of injuries sustained in the performance of his official duties shall be paid monthly benefits equal to three percent of his monthly average final compensation multiplied by the number of his years of credited service; however, such monthly benefit shall not exceed thirty-five dollars for each year of his credited service or eighty percent of his monthly average final compensation, whichever is less.

If a member who has less than five years of credited service dies, his accumulated contributions are paid to his designated beneficiary. If the member has five or more years of credited service, automatic option 2 benefits are payable to the surviving spouse. These benefits are based on the retirement benefits accrued at the member's date of death with option factors used as if the member had continued in service to earliest normal retirement age. Benefit payments are to commence on the date a member would have first become eligible for normal retirement assuming continued service until that time. In lieu of a deferred survivor benefit, the surviving spouse may elect benefits payable immediately with benefits reduced 1/4 of 1% for each month by which payments commence in advance of member's earliest normal retirement age. If a member has no surviving spouse, the surviving minor children under 18 or disabled children shall be paid 1/2 of the member's accrued retirement benefit in equal shares. Upon the death of any former member with 12 or more years of service, automatic option 2 benefits are payable to the surviving spouse with payments to commence on the member's retirement eligibility date. In lieu of periodic payments, the surviving spouse or children may receive a refund of the member's accumulated contributions.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

2. PLAN DESCRIPTION: (Continued)

In lieu of terminating employment and accepting a service retirement allowance, any member of the Fund who has been an active contributing member for one full year after becoming eligible for a service retirement allowance may elect to participate in the Deferred Retirement Option Plan for up to thirty-six months and defer the receipt of benefits. Upon commencement of participation in the plan, active membership in the Fund terminates and the participant's contributions cease; however, employer contributions continue. Compensation and creditable service remain as they existed on the effective date of commencement of participation in the plan. The monthly retirement benefits that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan account. Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the Fund. If employment is not terminated at the end of the participation period, payments into the account cease and the member resumes active contributing membership in the Fund. Upon termination, the member receives a lump sum payment from the DROP fund equal to the payments made to that fund on his behalf, or a true annuity based on his account (subject to approval by the Board of Trustees). The monthly benefit payments that were being paid into the DROP fund are paid to the retiree and an additional benefit based on his additional service rendered since termination of DROP participation is calculated using the normal method of benefit computation. The average compensation used to calculate the additional benefit is that used to calculate the original benefit unless his period of additional service is at least thirty-six months. In no event can the entire monthly benefit amount paid to the retiree exceed 100% of the average compensation used to compute the additional benefit. If a participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate.

The Board of Trustees is authorized to provide a cost of living increase to members who have been retired for at least one full calendar year. The increase cannot exceed the lesser of 2.5% of the retiree's benefit or an increase of forty dollars per month. The Louisiana statutes allows the Board to grant an additional cost of living increase to all retirees and beneficiaries over age 65 equal to 2% of the benefit paid on October 1, 1977 or the member's retirement date if later. The increase may only be granted from investment earnings in excess of the valuation interest rate of 8%.

In lieu of granting a cost of living increase as described above, Louisiana statutes allows the board to grant a cost of living increase where the benefits shall be calculated using the number of years of service at retirement or at death plus the number of years since retirement or death multiplied by the cost of living amount which cannot exceed \$1.

In order to grant any cost of living increase, the ratio of the actuarial value of assets to the pension benefit obligation must equal or exceed a statutory target ratio.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

3. CONTRIBUTIONS, RESERVES AND FUNDS:

Contributions:

Contributions for all members are established by state statute at 8.25% of earnable compensation. The contribution is deducted from the member's salary and remitted by the participating parish or court.

According to state statute, contributions for all employers are actuarially determined each year. The actuarially determined employer contribution rate for fiscal years ending June 30, 2007 and 2006 was 12.22% and 17.33%, respectively. The actual employer contribution rate for fiscal years ending June 30, 2007 and 2006 was 16.75% and 15.75%, respectively.

In accordance with state statute the Fund also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected by each parish and state revenue sharing funds. These additional sources of income are used as additional employer contributions.

Administrative costs of the Fund are financed through employer contributions.

Reserves:

Use of the term "reserve" by the Fund indicates that a portion of the fund balance is legally restricted for a specific future use. The nature and purpose of these reserves are explained below:

A) Annuity Savings Fund:

The Annuity Savings Fund is credited with contributions made by members of the Fund. When a member terminates his service, or upon his death before qualifying for a benefit, the refund of his contributions is made from this fund. If a member dies and there is a survivor who is eligible for a benefit, the amount of the member's accumulated contributions is transferred from the Annuity Savings Fund to the Annuity Reserve Fund. When a member retires, the amount of his accumulated contributions is transferred to the Annuity Reserve Fund to provide part of the benefits payable. The Annuity Savings Fund as of June 30, 2007 and 2006 is \$52,939,440 and \$50,499,296, respectively. The Annuity Savings Fund is fully funded.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

3. CONTRIBUTIONS, RESERVES AND FUNDS: (Continued)

B) Employer Reserve Fund:

The Employer Reserve Fund consists of contributions paid by employers, interest earned on investments and any other income not covered by other accounts. This fund is charged annually with an amount, determined by the actuary, to be transferred to the Annuity Reserve Fund to fund retirement benefits for existing recipients. It is also relieved when expenditures are not covered by other accounts. The Employer Reserve Fund as of June 30, 2007 and 2006 is \$210,471,581 and \$184,929,139, respectively. The Employer Reserve Fund is 71.06 percent and 60.56 percent funded as of June 30, 2007 and 2006, respectively.

C) Annuity Reserve Fund:

The Annuity Reserve Fund consists of the reserves for all pensions, excluding cost-of-living increases, granted to members and is the fund from which such pensions and annuities are paid. Survivors of deceased beneficiaries also receive benefits from this fund. The Annuity Reserve Fund as of June 30, 2007 and 2006 is \$134,680,043 and \$126,236,765, respectively. The Annuity Reserve Fund is fully funded.

D) Deferred Retirement Option Account:

The Deferred Retirement Option Account consists of the reserves for all members who upon eligibility elect to deposit into this account an amount equal to the member's monthly benefit if he had retired. A member can only participate in the program for three years, at which time the member may receive his benefits in a lump sum payment or by a true annuity. The Deferred Retirement Option Account as of June 30, 2007 and 2006 is \$11,260,354 and \$9,721,565, respectively. The Deferred Retirement Option Account is fully funded.

4. ACTUARIAL COST METHOD:

The "Frozen Attained Age Normal" cost method was used to calculate the funding requirements of the Fund. Funding of pension plans under this method consists of two components. The first of these components is the Employer Normal Cost of the plan. In addition, amortization payments on the Fund's unfunded liability must be made. The actuarial present value of future normal cost is called the actuarial accrued liability. Act 81 of the 1988 legislative session requires that the unfunded accrued liability be amortized over a forty-year period beginning on July 1, 1989 with payments increasing at 4.75% per year.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

5. REQUIRED SUPPLEMENTARY SCHEDULES:

Information in the required supplemental schedules is designed to provide information about the Fund's progress made in accumulating sufficient assets to pay benefits and is presented on pages 29 - 31.

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS:

Following are the components of the Fund's deposits, cash equivalents and investments at June 30, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Deposits (bank balance)	\$ 2,468,631	\$ 1,466,333
Cash equivalents	15,150,878	12,220,084
Investments	<u>364,003,301</u>	<u>301,921,681</u>
	<u>\$381,622,810</u>	<u>\$315,608,098</u>

Deposits:

The Fund's bank deposits were entirely covered by federal depository insurance and securities pledged. The pledged securities are held in joint custody with the Fund's bank.

Cash Equivalents:

Cash equivalents at June 30, 2007 and 2006 in the amount of \$14,728,659 and \$8,776,548, respectively, consist of government pooled investments. The funds are managed by the Louisiana Asset Management Pool (LAMP), held by a custodial bank and are in the name of the Fund.

Additionally, the Fund has cash equivalents at June 30, 2007 and 2006 in the amount of \$422,219 and \$3,443,536, respectively, which consists of government-pooled investments. These funds are managed and held by a separate money manager and are in the name of the Fund.

Investments:

Statutes authorize the Fund to invest under the Prudent-Man Rule. The Prudent-Man Rule shall require each fiduciary of a retirement system and each board of trustees acting collectively on behalf of the system to act with care, skill, prudence, and diligence under the circumstances prevailing that a prudent institutional investor acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Notwithstanding the Prudent-Man Rule, the Fund shall invest sixty percent of the total portfolio in equities but in no event shall equities exceed sixty-five percent of the total portfolio. Also, at least ten percent of the equity allocation must remain indexed to the S&P 500 index.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of the Fund's investment in a single issuer.

The Fund's investment policy states that no more than 30% of the equity portfolio market value may be invested in any one economic sector. Generally, the equity holdings in any single corporation shall not exceed 5% of the market value of the equity portfolio. In addition, no more than 7% of any fixed income portfolio based on market value at the time of purchase may be invested in any one issuer's securities (exclusive of issues of the U.S. Treasury or other Federal agencies). At June 30, 2007 and 2006, there were no investment holdings that exceeded the System's concentration of credit risk investment policy.

At June 30, 2007 and 2006, the Fund held the following in pooled funds:

	<u>2007</u>		<u>2006</u>	
	<u>Amount</u>	Percentage of <u>Portfolio</u>	<u>Amount</u>	Percentage of <u>Portfolio</u>
Large cap domestic equity fund	\$ 97,502,183	28.30 %	\$ 84,389,373	28.52%
Domestic equity fund	21,031,721	6.10	17,294,207	5.85
International equity fund	50,315,222	14.60	40,057,505	13.54
Index bond fund	56,386,589	16.36	53,096,756	17.95
Real estate fund	36,239,702	10.52	31,563,238	10.67

Credit Risk

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Following are the credit ratings of the Fund's investments in long-term debt securities as of June 30, 2007 and 2006.

2007

Rated		Corporate	Corporate	Other	Total
By	Rating	Convertible <u>Bonds</u>	<u>Bonds</u>	Fixed Income <u>Securities</u>	<u>Bonds</u>
Moody's	A1	\$ 429,625	\$ --	\$ --	\$ 429,625
S&P	AA+	1,345,000	--	--	1,345,000
S&P	AA	1,477,488	--	--	1,477,488
S&P	A+	2,102,050	--	--	2,102,050
S&P	A-	2,487,500	--	--	2,487,500
S&P	BBB+	1,876,306	--	--	1,876,306
S&P	BBB	3,265,000	--	--	3,265,000
S&P	BBB-	2,793,038	--	--	2,793,038

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Credit Risk: (Continued)

2007

Rated		Corporate		Other	
By	Rating	Convertible	Corporate	Fixed Income	Total
		Bonds	Bonds	Securities	Bonds
S&P	BB+	1,106,712	--	--	1,106,712
S&P	BB	922,662	--	--	922,662
S&P	BB-	1,061,712	--	--	1,061,712
S&P	B+	1,757,375	--	--	1,757,375
S&P	B	1,707,100	562,069	--	2,269,169
S&P	B-	307,875	--	451,080	758,955
S&P	CCC+	490,219	--	--	490,219
S&P	CCC	712,894	--	--	712,894
Not Rated	Not Rated	<u>4,064,075</u>	<u>1,036,250</u>	<u>--</u>	<u>5,100,325</u>
		<u>\$ 27,906,631</u>	<u>\$ 1,598,319</u>	<u>\$ 451,080</u>	<u>\$ 29,956,030</u>

2006

Rated		Corporate		Other	
By	Rating	Convertible	Corporate	Fixed Income	Total
		Bonds	Bonds	Securities	Bonds
Moody's	Aa3	\$ 381,937	\$ --	\$ --	\$ 381,937
S&P	AA	880,781	--	--	880,781
S&P	A+	2,313,250	--	--	2,313,250
S&P	A	1,670,238	--	--	1,670,238
S&P	A-	933,469	--	--	933,469
S&P	AA-	1,201,981	--	--	1,201,981
S&P	BBB+	2,828,494	--	--	2,828,494
S&P	BBB	3,820,381	--	422,970	4,243,351
S&P	BBB-	2,011,231	--	--	2,011,231
S&P	BB+	138,463	--	--	138,463
S&P	BB	986,500	--	--	986,500
S&P	BB-	387,500	386,100	--	773,600
S&P	B+	2,543,606	--	--	2,543,606
S&P	B	1,413,950	--	--	1,413,950
Not Rated	Not Rated	<u>2,181,745</u>	<u>--</u>	<u>--</u>	<u>2,181,745</u>
		<u>\$ 23,693,526</u>	<u>\$ 386,100</u>	<u>\$ 422,970</u>	<u>\$ 24,502,596</u>

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Credit Risk: (Continued)

The bonds not rated by S&P or Moody's were rated by the convertible bond manager as follows:

<u>2007</u>	Corporate Convertible <u>Bonds</u>	Corporate <u>Bonds</u>	Total <u>Bonds</u>
<u>Rating</u>			
A-	\$ --	\$ 857,000	\$ 857,000
BBB+	502,700	--	502,700
BBB	127,200	--	127,200
BBB-	610,687	--	610,687
BB	465,063	--	465,063
BB-	749,287	--	749,287
B+	72,888	179,250	252,138
B	1,157,275	--	1,157,275
B-	<u>378,975</u>	<u>--</u>	<u>378,975</u>
	<u>\$ 4,064,075</u>	<u>\$ 1,036,250</u>	<u>\$ 5,100,325</u>

<u>2006</u>	Corporate Convertible <u>Bonds</u>	Corporate <u>Bonds</u>	Total <u>Bonds</u>
<u>Rating</u>			
BBB+	\$ 420,200	\$ --	\$ 420,200
BBB	115,800	--	115,800
BB-	405,938	--	405,938
B+	494,969	--	494,969
B	246,876	--	246,876
B-	<u>497,962</u>	<u>--</u>	<u>497,962</u>
	<u>\$ 2,181,745</u>	<u>\$ --</u>	<u>\$ 2,181,745</u>

The Fund's investment policy limits its investments in corporate debt issues to those rated BBB/Baa or higher by Standard and Poors/Moody Investor Services. The policy also states that overall credit quality shall remain at all times A or better. In January 2004, the Board approved a request by the convertible bond manager to allow them to hold a maximum of 10% of the portfolio in below B-/B3 rated securities and to maintain an overall portfolio credit rating of BBB-/Baa3.

At June 30, 2007 and 2006, the Fund held shares of a bond index fund with a market value of \$56,386,589 and \$53,096,756, respectively. The bond index fund is a banking collective trust vehicle which is not a rated fund. The average quality rating of the bonds held by the bond index fund was AA1/AA2 at June 30, 2007 and 2006.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Custodial Credit Risk

Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Fund is not exposed to custodial credit risk at June 30, 2007 and 2006 for investments in the amount of \$83,097,540 and \$69,497,637, respectively, since investments are in the name of the Fund. At June 30, 2007 and 2006, for collateral held under securities lending in the amount of \$34,581,222 and \$18,243,049, respectively, the Fund is not exposed to custodial credit risk since these investments are held by a buyer-lender agent. The Fund has no formal investment policy regarding custodial credit risk.

Interest Rate Risk

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2007 and 2006, the Fund had the following investments in long-term debt securities and maturities:

2007

Investment Type	Less Than 1	1 - 5	6 - 10	More Than 10	Fair Value
Corporate bonds	\$ --	\$ 179,250	\$ --	\$1,419,069	\$ 1,598,319
Corporate convertible bonds	--	4,207,468	1,487,169	22,211,994	27,906,631
Other fixed income securities	--	--	--	451,080	451,080
	<u>\$ --</u>	<u>\$ 4,386,718</u>	<u>\$ 1,487,169</u>	<u>\$ 24,082,143</u>	<u>\$ 29,956,030</u>

2006

Investment Type	Less Than 1	1 - 5	6 - 10	More Than 10	Fair Value
Corporate bonds	\$ --	\$ --	\$ --	\$ 386,100	\$ 386,100
Corporate convertible bonds	402,800	1,619,851	779,750	20,891,125	23,693,526
Other fixed income securities	--	--	--	422,970	422,970
	<u>\$ 402,800</u>	<u>\$ 1,619,851</u>	<u>\$ 779,750</u>	<u>\$ 21,700,195</u>	<u>\$ 24,502,596</u>

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Interest Rate Risk (Continued)

At June 30, 2007 and 2006, the Fund held shares of a bond index fund with a market value of \$56,386,589 and \$53,096,756, respectively. The average maturity of bonds held by the Fund was 7.19 years and 4.8 years at June 30, 2007 and 2006, respectively.

The Fund has no formal policy regarding interest rate risk.

Foreign Currency Risk

Foreign Currency risk is defined as the risk that changes in exchange rates will adversely affect the fair value of an investment. The Fund's exposure for foreign currency risk is limited to its investments in foreign marketable securities at June 30, 2007 and 2006 as follows:

2007

<u>Currency</u>	<u>Bonds</u>	<u>Stocks</u>	<u>Total</u>
Canada	\$ --	\$ 697,037	\$ 697,037
China	--	128,673	128,673
International Region	--	266,355	266,355
Israel	--	135,304	135,304
Panama	548,000	--	548,000
Puerto Rico	--	125,066	125,066
	<u>\$ 548,000</u>	<u>\$ 1,352,435</u>	<u>\$ 1,900,435</u>

2006

<u>Currency</u>	<u>Bonds</u>	<u>Stocks</u>	<u>Total</u>
Canada	\$ 1,063,844	\$ 309,005	\$ 1,372,849
Hong Kong	246,876	--	246,876
Israel	--	352,918	352,918
Multi-national agencies region	--	214,752	214,752
Taiwan	--	129,948	129,948
	<u>\$ 1,310,720</u>	<u>\$ 1,006,623</u>	<u>\$ 2,317,343</u>

The investment policy allows non-U.S. Dollar denominated foreign bonds to be held with a maximum weighting of 10% of the manager's portfolio. Country exposure is limited to EAFE countries plus Canada. The Retirement Fund is in compliance with this policy.

The policy allows investment in common and preferred stocks of foreign issuers domiciled in developed countries.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

6. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Foreign Currency Risk (Continued)

The investment policy also states that the allocation to international equities will be made by investing in a commingled or mutual fund. The mutual fund is limited to investing no more than 15% of the portfolio in emerging market countries. The Retirement Fund invested in an international equity fund which had a market value of \$50,315,222 and \$40,057,505 at June 30, 2007 and 2006, respectively. The Retirement Fund is in compliance with the investment policy limits of 15% in emerging market countries.

7. SECURITY LENDING AGREEMENTS:

State statutes and board of trustee policies permit the Fund to lend its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The Fund entered into a contract with a company which acts as their third-party securities lending agent. The lending agent has access to the Fund's lendable portfolio or available assets, such as U.S. and non-U.S. equities, corporate bonds, and non-U.S. government securities. Securities are loaned versus collateral that may include cash, U.S. government securities, and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any accrued interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. At year-end, the Fund has no credit risk exposure to borrowers because the amounts the Fund owes the agent exceed the amounts the borrowers owe the Fund. The contract with the Fund's agent requires it to provide borrower identification. The custodian's responsibility includes performing appropriate borrower and collateral investment credit analyses, demanding adequate types and level of collateral and complying with applicable Department of Labor and Federal Financial Institutions Examination Council regulations concerning securities lending. All security loans can be terminated on demand by either the Fund or the borrower. Cash collateral is invested in one or more of the lending agent's investment pool, or separately in the case of term loans, in which the investments match the loan term. These loans can be terminated on demand by either lender or borrower. The relationship between the maturities of the investment pool and the Fund's loans is affected by the maturities of the security loans made by other entities that use the agent's pool, which the Fund cannot determine. The Fund cannot pledge or sell collateral securities received unless the borrower defaults. There were no significant violations of legal or contractual provisions, and no borrower or lending agent default losses known to the securities lending agent.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2007 AND 2006

7. SECURITY LENDING AGREEMENTS: (Continued)

The Fund has the following securities on loan:	June 30, 2007 Market (Carrying Value)	June 30, 2006 Market (Carrying Value)
Corporate bonds	\$ 15,372,744	\$ 4,612,882
Marketable securities	<u>18,692,865</u>	<u>14,031,336</u>
	<u>\$ 34,065,609</u>	<u>\$ 18,644,218</u>

8. REIMBURSEMENT TO LOUISIANA CLERKS' OF COURT ASSOCIATION:

The Fund shares an office building, equipment, an automobile and other office expenses with the Clerks' of Court Association and Insurance Trust, two related parties. Most of the expenses, including the salaries of employees of all three funds, are paid out of the Association. The Fund reimbursed the Association for shared expenses for the years ended June 30, 2007 and 2006 in the amount of \$128,400 and \$128,400, respectively. The building is owned by the Association. There is no formal lease between the related parties.

9. USE OF ESTIMATES:

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

10. PROPERTY, PLANT AND EQUIPMENT:

Changes in property, plant and equipment are as follows:

	<u>2007</u>	<u>2006</u>
Beginning balance	\$ 60,341	\$ 99,982
Additions	--	3,111
Disposals	<u>--</u>	<u>(42,752)</u>
	60,341	60,341
Less accumulated depreciation	<u>(58,421)</u>	<u>(53,619)</u>
	<u>\$ 1,920</u>	<u>\$ 6,722</u>

Depreciation expense for the years ended June 30, 2007 and 2006 was \$4,802 and \$5,642, respectively.

11. TAX QUALIFICATION:

The Fund is a tax qualified plan under IRS Code Section 401(a).

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
SUPPLEMENTARY INFORMATION
STATEMENTS OF CHANGES IN RESERVE BALANCES
JUNE 30, 2007 AND 2006

2007

	ANNUITY SAVINGS	DROP	ANNUITY RESERVE	EMPLOYER RESERVE	UNFUNDED ACTUARIAL LIABILITY	TOTAL
BALANCE - BEGINNING	\$ 50,499,296	\$ 9,721,565	\$ 126,236,765	\$ 184,929,139	\$ (72,935,680)	\$ 298,451,085
REVENUES AND TRANSFERS:						
Employee contributions	5,951,946	-	-	-	-	5,951,946
Employer contributions	-	-	-	12,661,402	-	12,661,402
Net investment income	-	-	-	43,186,940	-	43,186,940
Tax collector contributions	-	-	-	5,515,746	-	5,515,746
Revenue sharing contributions	-	-	-	314,646	-	314,646
Repayment of refund	47,402	-	-	171,476	-	218,878
Revenue from service credits	-	-	-	-	-	-
Miscellaneous income	-	-	-	306	-	306
Transfer from Annuity Savings	-	-	2,354,222	-	-	2,354,222
Transfer from Annuity Reserve	-	2,669,847	-	-	-	2,669,847
Actuarial transfer	-	-	23,406,336	-	12,033,065	35,439,401
	<u>5,999,348</u>	<u>2,669,847</u>	<u>25,760,558</u>	<u>61,850,516</u>	<u>12,033,065</u>	<u>108,313,334</u>
EXPENDITURES AND TRANSFERS:						
Refunds to terminated employees	1,086,398	-	-	-	-	1,086,398
Transfer to Annuity Reserve	2,354,222	-	-	-	-	2,354,222
Transfer to DROP	-	-	2,669,847	-	-	2,669,847
Pensions paid	-	-	14,647,433	-	-	14,647,433
Administrative	-	-	-	241,870	-	241,870
Depreciation	-	-	-	4,802	-	4,802
DROP benefits	-	1,131,058	-	-	-	1,131,058
Transfers to another system	118,584	-	-	622,001	-	740,585
Actuarial transfer	-	-	-	35,439,401	-	35,439,401
	<u>3,559,204</u>	<u>1,131,058</u>	<u>17,317,280</u>	<u>36,308,074</u>	<u>-</u>	<u>58,315,616</u>
NET INCREASE (DECREASE)	<u>2,440,144</u>	<u>1,538,789</u>	<u>8,443,278</u>	<u>25,542,442</u>	<u>12,033,065</u>	<u>49,997,718</u>
BALANCE - ENDING	\$ <u>52,939,440</u>	\$ <u>11,260,354</u>	\$ <u>134,680,043</u>	\$ <u>210,471,581</u>	\$ <u>(60,902,615)</u>	\$ <u>348,448,803</u>

2006

<u>ANNUITY SAVINGS</u>	<u>DROP</u>	<u>ANNUITY RESERVE</u>	<u>EMPLOYER RESERVE</u>	<u>UNFUNDED ACTUARIAL LIABILITY</u>	<u>TOTAL</u>
\$ 49,783,830	\$ 8,748,021	\$ 114,340,334	\$ 150,025,219	\$ (61,075,725)	\$ 261,821,679
5,692,242	-	-	-	-	5,692,242
-	-	-	11,354,184	-	11,354,184
-	-	-	30,418,388	-	30,418,388
-	-	-	5,186,730	-	5,186,730
-	-	-	321,925	-	321,925
67,393	-	-	179,092	-	246,485
-	-	-	37,794	-	37,794
-	-	-	640	-	640
-	-	3,713,650	-	-	3,713,650
-	2,210,138	-	-	-	2,210,138
-	-	24,072,492	-	-	24,072,492
<u>5,759,635</u>	<u>2,210,138</u>	<u>27,786,142</u>	<u>47,498,753</u>	<u>-</u>	<u>83,254,668</u>
1,218,984	-	-	-	-	1,218,984
3,713,650	-	-	-	-	3,713,650
-	-	2,210,138	-	-	2,210,138
-	-	13,679,573	-	-	13,679,573
-	-	-	240,118	-	240,118
-	-	-	5,642	-	5,642
-	1,236,594	-	-	-	1,236,594
111,535	-	-	136,536	-	248,071
-	-	-	12,212,537	11,859,955	24,072,492
<u>5,044,169</u>	<u>1,236,594</u>	<u>15,889,711</u>	<u>12,594,833</u>	<u>11,859,955</u>	<u>46,625,262</u>
715,466	973,544	11,896,431	34,903,920	(11,859,955)	36,629,406
<u>\$ 50,499,296</u>	<u>\$ 9,721,565</u>	<u>\$ 126,236,765</u>	<u>\$ 184,929,139</u>	<u>\$ (72,935,680)</u>	<u>\$ 298,451,085</u>

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SUPPLEMENTARY INFORMATION
 SCHEDULES OF INVESTMENTS
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

		2007	
	<u>Par Value</u>	Original Cost Value	Market Value
BONDS:			
Corporate bonds	\$ <u>26,725,000</u>	\$ <u>26,948,674</u>	\$ <u>29,504,950</u>
OTHER FIXED INCOME SECURITIES:			
Convertible equity		\$ <u>419,820</u>	\$ <u>451,080</u>
COMMON STOCKS:			
Domestic		\$ 34,121,772	\$ 36,638,197
Foreign		1,399,169	1,352,435
TOTAL COMMON STOCKS		\$ <u>35,520,941</u>	\$ <u>37,990,632</u>
MUTUAL FUNDS:			
Large cap domestic equity fund		\$ 70,238,691	\$ 97,502,183
Domestic equity fund		16,233,287	21,031,721
International equity fund		29,870,586	50,315,222
Index bond fund		47,322,748	56,386,589
Real estate fund		27,245,282	36,239,702
TOTAL MUTUAL FUNDS		\$ <u>190,910,594</u>	\$ <u>261,475,417</u>

		2006	
	<u>Par Value</u>	Original Cost Value	Market Value
BONDS:			
Corporate bonds	\$ <u>23,605,000</u>	\$ <u>22,099,418</u>	\$ <u>24,079,626</u>
OTHER FIXED INCOME SECURITIES:			
Convertible equity		\$ <u>425,995</u>	\$ <u>422,970</u>
COMMON STOCKS:			
Domestic		\$ 28,040,596	\$ 31,768,334
Foreign		1,042,322	1,006,623
TOTAL COMMON STOCKS		\$ <u>29,082,918</u>	\$ <u>32,774,957</u>
MUTUAL FUNDS:			
Large cap domestic equity fund		\$ 70,238,691	\$ 84,389,373
Domestic equity fund		15,779,028	17,294,207
International equity fund		29,870,586	40,057,505
Index bond fund		47,322,748	53,096,756
Real estate fund		25,750,448	31,563,238
TOTAL MUTUAL FUNDS		\$ <u>188,961,501</u>	\$ <u>226,401,079</u>

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SUPPLEMENTARY INFORMATION
 SCHEDULES OF ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
PERSONAL SERVICES:		
Board Member - per diem	\$ <u>3,075</u>	\$ <u>2,025</u>
PROFESSIONAL SERVICES:		
Accountant	13,356	13,960
Actuarial	25,320	25,320
Legal	24,300	24,411
Program consultant	<u>4,300</u>	<u>4,300</u>
	<u>67,276</u>	<u>67,991</u>
COMMUNICATION:		
Travel	<u>11,942</u>	<u>4,437</u>
OTHER:		
Auto expense	600	8,842
Bank charges	4,252	4,332
Insurance	18,242	17,836
Meetings and seminars	2,351	1,635
Miscellaneous	3,020	619
Office supplies	2,712	2,691
Repair and maintenance	<u>-</u>	<u>1,310</u>
	<u>31,177</u>	<u>37,265</u>
TOTAL EXPENSES	\$ <u><u>113,470</u></u>	\$ <u><u>111,718</u></u>

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SUPPLEMENTARY INFORMATION
 SCHEDULES OF PER DIEM PAID TO TRUSTEES
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

The per diem paid to the trustees is an expenditure of the Fund. For 2007 and 2006, the trustees received per diem at the rate of \$75.00 for attendance of a regularly scheduled meeting of the Board of Trustees. Per diem paid to the trustees for the years ended June 30, 2007 and 2006 are as follows:

<u>Trustee</u>	<u>2007</u>	<u>2006</u>
Ann Ardoin	\$ 375	\$ 225
Robert Barousse	75	225
Kermit Bourque	300	75
Cliff Dressel	375	300
Mark Graffeo	375	300
Felicia Ann Hendl	375	75
Charles Jagneaux	225	150
Gary Loftin	300	300
Jim Martin	300	75
Michael Thibodeaux	375	300
	<u>\$ 3,075</u>	<u>\$ 2,025</u>

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS - EMPLOYER AND OTHER SOURCES
JUNE 30, 2002 THROUGH 2007

<u>Fiscal Year</u>	<u>Actuarial Required Contributions Employer</u>	<u>Actuarial Required Contributions Other Sources</u>	<u>Percent Contributed Employer</u>	<u>Percent Contributed Other Sources</u>
2002	\$5,490,665	\$4,366,882	117.27%	101.09%
2003	7,515,917	4,694,048	90.11	98.81
2004	10,028,784	4,912,419	81.16	99.86
2005	11,455,816	5,174,325	93.50	101.70
2006	13,034,919	5,264,449	87.11	104.64
2007	8,966,665	5,811,504	141.21	100.33

For year ending June 30, 2002, the actuarially required contribution differs significantly from actual contributions made due to the board of trustees' election to freeze the employer contribution rate at a higher level (10%) than required. The effect of this election is to reduce the number of years over which payments on the frozen unfunded accrued liability will be required.

For the years ending June 30, 2003 through 2007, the actuarially required contribution differs from actual contributions made due to state statute that requires the contribution rate be calculated and set two years prior to the year effective.

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
JUNE 30, 2002 THROUGH 2007

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
June 30, 2002	\$204,897,570	\$282,812,163	\$77,914,593	72.45%	\$64,135,719	121.48%
June 30, 2003	206,768,548	285,970,629	79,202,081	72.30	67,515,714	117.31
June 30, 2004	218,345,837	298,703,485	80,357,648	73.10	70,699,191	113.66
June 30, 2005	241,537,822	322,897,404	81,359,582	74.80	73,542,403	110.63
June 30, 2006	288,606,478	371,386,765	82,780,287	77.71	70,935,731	116.70
June 30, 2007	325,278,452	409,351,418	84,072,966	79.46	78,384,249	107.26

LOUISIANA CLERKS' OF COURT RETIREMENT AND RELIEF FUND
 SUPPLEMENTARY INFORMATION
 NOTES TO SCHEDULE OF CONTRIBUTIONS AND
 SCHEDULE OF FUNDING PROGRESS
JUNE 30, 2002 THROUGH 2007

The information presented in the Schedule of Contributions - Employer and Other and the Schedule of Funding Progress was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	June 30, 2007
Actuarial Cost Method	Frozen Attained Age Normal Method
Amortization Method	In accordance with state statute, the payment amounts increase at 4.75% each year for the remaining amortization period. The amortization period is for a specific number of years. (Closed Basis)
Remaining Amortization Period	22 years
Asset Valuation Method	Based on the market value of investment securities adjusted to average in asset earnings above or below the assumed rate of return over a five year period.
Actuarial Assumptions:	
Investment Rate of Return	8%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the Fund and includes previously granted cost of living increases. Future cost of living increases are only granted if specific target ratios and inflation indexes are met. General cost of living increases granted to all participants are financed through employer contributions. Cost of living increases granted to participants over age 65 are financed through investment earnings in excess of the valuation interest rate of 8%.



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

November 24, 2007

Louisiana Clerks' of Court
Retirement and Relief Fund
Board of Trustees
11745 Bricksome Ave., Suite B-1
Baton Rouge, LA 70816

We have audited the financial statements of Louisiana Clerks' of Court Retirement and Relief Fund, as of and for the year ended June 30, 2007, and have issued our report thereon dated November 24, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Louisiana Clerks' of Court Retirement and Relief Fund's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Clerks' of Court Retirement and Relief Fund's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Louisiana Clerks' of Court Retirement and Relief Fund's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects Louisiana Clerks' of Court Retirement and Relief Fund's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Louisiana Clerks' of Court Retirement and Relief Fund's financial statements that is more than inconsequential will not be prevented or detected by Louisiana Clerks' of Court Retirement and Relief Fund's internal control.

A material weakness is a significant deficiency or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Louisiana Clerks' of Court Retirement and Relief Fund's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Louisiana Clerks' of Court Retirement and Relief Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the use of the Board of Trustees and the Office of the Legislative Auditor of the State of Louisiana, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP